

# COMMITTEE REPORT

## MADAM PRESIDENT:

**The Senate Committee on Appropriations, to which was referred House Bill No. 1250, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:**

- 1       Page 1, delete lines 1 through 17, begin a new paragraph and insert:
- 2       "SECTION 1. IC 6-9-7-3 IS AMENDED TO READ AS FOLLOWS
- 3       [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) The commission may:
- 4           (1) accept and use gifts, grants, and contributions from any public
- 5           or private source, under terms and conditions which the
- 6           commission deems necessary and desirable;
- 7           (2) sue and be sued;
- 8           (3) enter into contracts and agreements, including contracts and
- 9           agreements not to exceed ten (10) years;
- 10          (4) make rules and regulations necessary for the conduct of its
- 11          business and the accomplishment of its purposes;
- 12          (5) receive and approve, alter, or reject requests and proposals for
- 13          funding by any nonprofit corporations or political subdivisions;
- 14          (6) after its approval of a proposal, transfer money, quarterly or
- 15          less frequently, from any available funds ~~pursuant to section~~
- 16          ~~7(b)(2) or 7(c)(1)~~ **of the commission under section 7** of this
- 17          chapter for the purpose of promotion and encouragement in the
- 18          county of conventions, trade shows, visitors, or special events;
- 19          and
- 20          (7) require financial or other reports from any entity that receives

1 funds under this chapter.

2 (b) A majority of the commission constitutes a quorum for the  
3 transaction of business, and the concurrence of a majority of those  
4 present is necessary to authorize any action. However, the commission  
5 shall not transact any business without first giving written notice to the  
6 director of the county parks and recreation board at least forty-eight  
7 (48) hours in advance of the convening of a meeting at which business  
8 is to be transacted.

9 SECTION 2. IC 6-9-7-7, AS AMENDED BY P.L.167-2006,  
10 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
11 JULY 1, 2008]: Sec. 7. (a) The county treasurer shall establish an  
12 innkeeper's tax fund. The treasurer shall deposit in that fund all money  
13 received under section 6 of this chapter that is attributable to an  
14 innkeeper's tax rate that is not more than five percent (5%).

15 (b) Money in the innkeeper's tax fund shall be expended in the  
16 following order: **distributed as follows:**

17 (1) Through July 1999, not more than the revenue needed to  
18 service bonds issued under IC 36-10-3-40 through IC 36-10-3-45  
19 and outstanding on January 1, 1993, may be used to service  
20 bonds. The county auditor shall make a semiannual distribution,  
21 at the same time property tax revenue is distributed, to a park and  
22 recreation district that has issued bonds payable from a county  
23 innkeeper's tax. Each semiannual distribution must be equal to  
24 one-half (1/2) of the annual principal and interest obligations on  
25 the bonds. Money received by a park and recreation district under  
26 this subdivision shall be deposited in a special fund to be used to  
27 service the bonds. During August 1999 the money that had been  
28 set aside to cover bond payments that remains after the bonds  
29 have been retired plus sixty percent (60%) of the tax revenue  
30 during August 1999 through December 1999 shall be distributed  
31 to the county treasurer to be used by the county park board,  
32 subject to appropriation by the county fiscal body.

33 (2) To the commission for its general use in paying operating  
34 expenses and to carry out the purposes set forth in section 3(a)(6)  
35 of this chapter. However, the amount that may be distributed  
36 under this subdivision during any particular year may not exceed  
37 the proceeds derived from an innkeeper's tax of two percent (2%)  
38 through December 1999 and fifty percent (50%) of the tax

revenue beginning January 2000 and continuing through December 2014.

(3) For the period beginning July 1, 2002, through December 2014, fifty percent (50%) of the revenue to the county treasurer to be credited by the treasurer to a special account. The county treasurer shall distribute money in the special account as follows:

(A) Seventy-five percent (75%) of the money in the special account

(1) **Thirty percent (30%)** shall be distributed to the department of natural resources for the development of projects in the state park on the county's largest river, including its tributaries.

(B) Twenty-five percent (25%) of the money in the special account shall be distributed to a community development corporation that serves a metropolitan area in the county that includes:

(i) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000); and

(ii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

for the community development corporation's use in tourism; recreation; and economic development activities. For the period beginning July 1, 2002, and continuing through December 2012, the community development corporation shall provide not less than forty percent (40%) of the money received from the special account under this clause as a grant to a nonprofit corporation that leases land in the state park described in this subdivision for the nonprofit corporation's use in noncapital projects in the state park.

Money in the special account may not be used for any other purpose. The money credited to the account that has not been used as specified in this subdivision by January 1, 2015, shall be transferred to the commission to be used to make grants as provided in subsection (c)(2):

(c) Money in the innkeeper's tax fund subject to appropriation by the county council shall be allocated and distributed after December 2014 as follows:

(1) Fifty percent (50%) of the revenue to the commission for the

commission's general use in paying operating expenses and to carry out the purposes set forth in section 3(a)(6) of this chapter. (2) The remainder to the commission to be used solely to make grants for the development of recreation and tourism projects. The commission shall establish and make public the criteria that will be used in analyzing and awarding grants. At least ten percent (10%) but not more than fifteen percent (15%) of the grants may be awarded for noncapital projects. Grants may be made only to the following entities upon application by the executive of the entity:

(A) The county for deposit in a special account.

(B) The most populated city in the county for deposit in a special account.

(C) The second most populated city in the county for deposit in a special account.

(D) The Tippecanoe County Wabash River parkway commission; but only so long as the interlocal agreement among the political subdivisions listed in clauses (A) through (C) is in effect. Money received by the parkway commission shall be segregated in a special account.

(d) Money credited to special accounts under subsection (c)(2) shall be used only for recreation or tourism projects; or both.

**(2) Seventy percent (70%) shall be distributed to a special account administered by the county treasurer. The county fiscal body may appropriate money in the special account only as follows:**

**(A) At least ten percent (10%) of the amount appropriated annually from the special account must be appropriated to Historic Prophetstown to be used by Historic Prophetstown for carrying out its purposes.**

**(B) At least ten percent (10%) of the amount appropriated annually from the special account must be appropriated to a community development corporation that serves a metropolitan area in the county that includes:**

**(i) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000); and**

**(ii) a city having a population of more than twenty-eight**

- 1           thousand seven hundred (28,700) but less than  
2           twenty-nine thousand (29,000);  
3           for the community development corporation's use in  
4           tourism, recreation, and economic development activities.  
5           (C) At least ten percent (10%) of the amount appropriated  
6           annually from the special account must be appropriated to  
7           the Wabash River Enhancement Corporation to assist the  
8           Wabash River Enhancement Corporation in carrying out  
9           its purposes.  
10          (D) At least ten percent (10%) of the amount appropriated  
11          annually from the special account must be appropriated to  
12          the commission for its general use in paying operating  
13          expenses and to carry out the purposes set forth in section  
14          3(a)(6) of this chapter.  
15          (E) After amounts have been appropriated as provided in  
16          clauses (A) through (D), the county fiscal body may  
17          appropriate any money remaining in the special account to  
18          any one (1) or more of the entities described in clauses (A)  
19          through (D).  
20          (c) An advisory commission consisting of the following members  
21          is established:  
22               (1) The director of the department of natural resources or the  
23               director's designee.  
24               (2) The public finance director or the public finance director's  
25               designee.  
26               (3) A member appointed by the Native American Indian  
27               affairs commission.  
28               (4) A member appointed by Historic Prophetstown.  
29               (5) A member appointed by the community development  
30               corporation described in subsection (b)(2)(B).  
31               (6) A member appointed by the Wabash River Enhancement  
32               Corporation.  
33               (7) A member appointed by the commission.  
34               (8) A member appointed by the county fiscal body.  
35               (9) A member appointed by the town board of the town of  
36               Battleground.  
37               (10) A member appointed by the mayor of the city of  
38               Lafayette.

(11) A member appointed by the mayor of the city of West Lafayette.

(d) The following apply to the advisory commission:

(1) The governor shall appoint a member of the advisory commission as chairman of the advisory commission.

(2) Six (6) members of the advisory commission constitute a quorum. The affirmative votes of at least six (6) advisory commission members are necessary for the advisory commission to take official action other than to adjourn or to meet to hear reports or testimony.

(3) The advisory commission shall make recommendations concerning the use of any proceeds of bonds issued to finance the development of Prophetstown State Park.

(4) Members of the advisory commission who are state employees:

(A) are not entitled to any salary per diem; and

(B) are entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and to reimbursement for other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(e) The Indiana finance authority, in its capacity as the recreational development commission, may issue bonds for the development of Prophetstown State Park under IC 14-14-1."

Delete page 2.

Page 3, delete lines 1 through 40, begin a new paragraph and insert:

"SECTION 2. IC 6-9-40 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 40. Angola Food and Beverage Tax**

**Sec. 1. This chapter applies to the city of Angola.**

**Sec. 2. The definitions in IC 6-9-12-1 apply throughout this chapter.**

**Sec. 3. (a) The fiscal body of the city may adopt an ordinance to impose an excise tax, known as the municipal food and beverage tax, on transactions described in section 4 of this chapter.**

**(b) If the fiscal body adopts an ordinance under subsection (a),**

1 the fiscal body shall immediately send a certified copy of the  
2 ordinance to the department of state revenue.

3 (c) If the fiscal body adopts an ordinance under subsection (a),  
4 the municipal food and beverage tax applies to transactions that  
5 occur after the last day of the month that succeeds the month in  
6 which the ordinance was adopted.

7 Sec. 4. (a) Except as provided in subsection (c), a tax imposed  
8 under section 3 of this chapter applies to a transaction in which  
9 food or beverage is furnished, prepared, or served:

10 (1) for consumption at a location or on equipment provided by  
11 a retail merchant;

12 (2) in the city in which the tax is imposed; and

13 (3) by a retail merchant for consideration.

14 (b) Transactions described in subsection (a)(1) include  
15 transactions in which food or beverage is:

16 (1) served by a retail merchant off the merchant's premises;

17 (2) food sold in a heated state or heated by a retail merchant;

18 (3) made of two (2) or more food ingredients, mixed or  
19 combined by a retail merchant for sale as a single item (other  
20 than food that is only cut, repackaged, or pasteurized by the  
21 seller, and eggs, fish, meat, poultry, and foods containing these  
22 raw animal foods requiring cooking by the consumer as  
23 recommended by the federal Food and Drug Administration  
24 in chapter 3, subpart 3-401.11 of its Food Code so as to  
25 prevent food borne illnesses); or

26 (4) food sold with eating utensils provided by a retail  
27 merchant, including plates, knives, forks, spoons, glasses,  
28 cups, napkins, or straws (for purposes of this subdivision, a  
29 plate does not include a container or package used to  
30 transport the food).

31 (c) The municipal food and beverage tax does not apply to the  
32 furnishing, preparing, or serving of a food or beverage in a  
33 transaction that is exempt, or to the extent the transaction is  
34 exempt, from the state gross retail tax imposed by IC 6-2.5.

35 Sec. 5. The municipal food and beverage tax imposed on a food  
36 or beverage transaction described in section 4 of this chapter  
37 equals one percent (1%) of the gross retail income received by the  
38 merchant from the transaction. For purposes of this chapter, the

gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5.

Sec. 6. A tax imposed under this chapter shall be imposed, paid, and collected in the same manner that the state gross retail tax is imposed, paid, and collected under IC 6-2.5. However, the return to be filed with the payment of the tax imposed under this chapter may be made on a separate return or may be combined with the return filed for the payment of the state gross retail tax, as prescribed by the department of state revenue.

Sec. 7. The amounts received from the tax imposed under this chapter shall be paid monthly by the treasurer of state to the city fiscal officer upon warrants issued by the auditor of state.

Sec. 8. (a) If a tax is imposed under section 3 of this chapter by a city described in section 1 of this chapter, the fiscal officer of the city shall establish a food and beverage tax receipts fund.

(b) The fiscal officer of the city shall deposit in this fund all amounts received under this chapter.

(c) Money earned from the investment of money in the fund becomes a part of the fund.

Sec. 9. (a) Except as provided in subsection (b), money in the fund established under section 8 of this chapter shall be used by the city only for the following purposes:

(1) Construction, extension, or completion of sewerlines, waterlines, streets, curbs, sidewalks, bridges, roads, highways, alleys, public ways, parking facilities, lighting, electric signals, information and high technology infrastructure (as defined IC 5-28-9-4), and any other infrastructure improvements.

(2) Engineering, legal, and other consulting or advisory services, plans, specifications, surveys, cost estimates, and other costs or expenses necessary or incident to activities described in subdivision (1).

(3) Park and recreation purposes, including the purchase of land for park and recreation purposes.

(4) Police and law enforcement purposes, firefighting and fire prevention purposes, emergency medical services and ambulance services, and other public safety purposes.

(b) The fiscal body of the city may pledge money in the fund to



1 pay bonds issued, loans obtained, and lease payments or other  
 2 obligations incurred by or on behalf of the city to provide the  
 3 infrastructure improvements described in subsection (a).

4 (c) A pledge under subsection (b) is enforceable under  
 5 IC 5-1-14-4.

6 Sec. 10. With respect to obligations for which a pledge has been  
 7 made under section 9(b) of this chapter, the general assembly  
 8 covenants with the holders of the obligations that this chapter will  
 9 not be repealed or amended in a manner that will adversely affect  
 10 the imposition or collection of the tax imposed under this chapter  
 11 if the payment of any of the obligations is outstanding.

12 Sec. 11. The general assembly finds that the city of Angola faces  
 13 unique challenges because of its fluctuating population and that the  
 14 challenges may be addressed through the provisions of this  
 15 chapter.

16 SECTION 3. IC 6-9-41 IS ADDED TO THE INDIANA CODE AS  
 17 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON  
 18 PASSAGE]:

19 **Chapter 41. Greendale Food and Beverage Tax**

20 **Sec. 1. This chapter applies to a city:**

21 (1) located in a county having a population of more than  
 22 forty-six thousand one hundred eight (46,108) but less than  
 23 forty-six thousand two hundred fifty (46,250); and

24 (2) having a population of more than four thousand two  
 25 hundred (4,200) but less than four thousand three hundred  
 26 fifty (4,350).

27 **Sec. 2. The definitions in IC 6-9-12-1 apply throughout this**  
 28 **chapter.**

29 **Sec. 3. (a) The fiscal body of the city may adopt an ordinance to**  
 30 **impose an excise tax, known as the municipal food and beverage**  
 31 **tax, on transactions described in section 4 of this chapter.**

32 **(b) If the fiscal body adopts an ordinance under subsection (a),**  
 33 **the fiscal body shall immediately send a certified copy of the**  
 34 **ordinance to the department of state revenue.**

35 **(c) If the fiscal body adopts an ordinance under subsection (a),**  
 36 **the city food and beverage tax applies to transactions that occur**  
 37 **after the last day of the month that succeeds the month in which**  
 38 **the ordinance was adopted.**

1       **Sec. 4. (a) Except as provided in subsection (c), a tax imposed**  
2 **under section 3 of this chapter applies to a transaction in which**  
3 **food or beverage is furnished, prepared, or served:**

4           **(1) for consumption at a location or on equipment provided by**  
5 **a retail merchant;**

6           **(2) in the city in which the tax is imposed; and**

7           **(3) by a retail merchant for consideration.**

8       **(b) Transactions described in subsection (a)(1) include**  
9 **transactions in which food or beverage is:**

10           **(1) served by a retail merchant off the merchant's premises;**

11           **(2) food sold in a heated state or heated by a retail merchant;**

12           **(3) made of two (2) or more food ingredients, mixed or**  
13 **combined by a retail merchant for sale as a single item (other**  
14 **than food that is only cut, repackaged, or pasteurized by the**  
15 **seller, and eggs, fish, meat, poultry, and foods containing these**  
16 **raw animal foods requiring cooking by the consumer as**  
17 **recommended by the federal Food and Drug Administration**  
18 **in chapter 3, subpart 3-401.11 of its Food Code so as to**  
19 **prevent food borne illnesses); or**

20           **(4) food sold with eating utensils provided by a retail**  
21 **merchant, including plates, knives, forks, spoons, glasses,**  
22 **cups, napkins, or straws (for purposes of this subdivision, a**  
23 **plate does not include a container or package used to**  
24 **transport the food).**

25       **(c) The city food and beverage tax does not apply to the**  
26 **furnishing, preparing, or serving of a food or beverage in a**  
27 **transaction that is exempt, or to the extent the transaction is**  
28 **exempt, from the state gross retail tax imposed by IC 6-2.5.**

29       **Sec. 5. The city food and beverage tax imposed on a food or**  
30 **beverage transaction described in section 4 of this chapter equals**  
31 **one percent (1%) of the gross retail income received by the**  
32 **merchant from the transaction. For purposes of this chapter, the**  
33 **gross retail income received by the retail merchant from a**  
34 **transaction does not include the amount of tax imposed on the**  
35 **transaction under IC 6-2.5.**

36       **Sec. 6. A tax imposed under this chapter shall be imposed, paid,**  
37 **and collected in the same manner that the state gross retail tax is**  
38 **imposed, paid, and collected under IC 6-2.5. However, the return**

1 to be filed with the payment of the tax imposed under this chapter  
2 may be made on a separate return or may be combined with the  
3 return filed for the payment of the state gross retail tax, as  
4 prescribed by the department of state revenue.

5 Sec. 7. The amounts received from the tax imposed under this  
6 chapter shall be paid monthly by the treasurer of state to the city  
7 fiscal officer upon warrants issued by the auditor of state.

8 Sec. 8. (a) If a tax is imposed under section 3 of this chapter by  
9 a city described in section 1 of this chapter, the fiscal officer of the  
10 city shall establish a food and beverage tax receipts fund.

11 (b) The fiscal officer of the city shall deposit in this fund all  
12 amounts received under this chapter.

13 (c) Money earned from the investment of money in the fund  
14 becomes a part of the fund.

15 Sec. 9. (a) Except as provided in subsection (b), money in the  
16 fund established under section 8 of this chapter shall be used by the  
17 city for the purchase, financing, construction, leasing, operation,  
18 or maintenance of the following:

19 (1) City hall.

20 (2) Park or recreational facilities.

21 (3) Police, fire, and emergency medical services.

22 (b) The fiscal body of the city may pledge money in the fund to  
23 pay bonds issued, loans obtained, and lease payments or other  
24 obligations incurred by or on behalf of the city to provide the  
25 facilities and services described in subsection (a).

26 (c) A pledge under subsection (b) is enforceable under  
27 IC 5-1-14-4.

28 Sec. 10. With respect to obligations for which a pledge has been  
29 made under section 9(b) of this chapter, the general assembly  
30 covenants with the holders of the obligations that this chapter will  
31 not be repealed or amended in a manner that will adversely affect  
32 the imposition or collection of the tax imposed under this chapter  
33 if the payment of any of the obligations is outstanding.

34 Sec. 11. A city described in section 1 of this chapter faces unique  
35 economic development challenges. Maintaining low property tax  
36 rates is essential to economic development. Using food and  
37 beverage tax revenues as provided in this chapter instead of  
38 property taxes to support the economic and cultural development

1 initiative described in section 9 of this chapter promotes that  
2 purpose.

3 SECTION 4. IC 6-9-42 IS ADDED TO THE INDIANA CODE AS  
4 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON  
5 PASSAGE]:

6 **Chapter 42. Greendale Innkeeper's Tax**

7 **Sec. 1. This chapter applies to a city:**

- 8 (1) located in a county having a population of more than  
9 forty-six thousand one hundred eight (46,108) but less than  
10 forty-six thousand two hundred fifty (46,250); and  
11 (2) having a population of more than four thousand two  
12 hundred (4,200) but less than four thousand three hundred  
13 fifty (4,350).

14 **Sec. 2. The following definitions apply throughout this chapter:**

- 15 (1) "Executive" and "fiscal body" have the meanings set forth  
16 in IC 36-1-2.  
17 (2) "Gross retail income" and "person" have the meanings set  
18 forth in by IC 6-2.5-1.

19 **Sec. 3. (a) The fiscal body of the city may levy a tax on every**  
20 **person engaged in the business of renting or furnishing, for periods**  
21 **of less than thirty (30) days, any room or rooms, lodgings, or**  
22 **accommodations in any:**

- 23 (1) hotel;  
24 (2) motel;  
25 (3) boat motel;  
26 (4) inn;  
27 (5) college or university memorial union;  
28 (6) college or university residence hall or dormitory; or  
29 (7) tourist cabin;

30 located in the city.

31 **(b) The tax does not apply to gross income received in a**  
32 **transaction in which:**

- 33 (1) a student rents lodgings in a college or university residence  
34 hall while that student participates in a course of study for  
35 which the student receives college credit from a college or  
36 university located in the city; or  
37 (2) a person rents a room, lodging, or accommodations for a  
38 period of thirty (30) days or more.

1       (c) The tax may not exceed the rate of five percent (5%) on the  
2 gross retail income derived from lodging income only and is in  
3 addition to the state gross retail tax imposed under IC 6-2.5.

4       (d) A tax imposed under this chapter shall be imposed, paid, and  
5 collected in exactly the same manner as the state gross retail tax is  
6 imposed, paid, and collected under IC 6-2.5.

7       (e) All of the provisions of IC 6-2.5 relating to rights, duties,  
8 liabilities, procedures, penalties, definitions, exemptions, and  
9 administration are applicable to the imposition and administration  
10 of the tax imposed under this chapter except to the extent those  
11 provisions are in conflict or inconsistent with the specific  
12 provisions of this chapter. The return to be filed for the payment  
13 of the tax under this section may be a separate return or may be  
14 combined with the return filed for the payment of the state gross  
15 retail tax as the department of the state revenue may, by rule,  
16 determine.

17       (f) The amounts received from the tax imposed under this  
18 section shall be paid monthly by the treasurer of state to the fiscal  
19 officer of the city upon warrants issued by the auditor of state.

20       Sec. 4. If a tax is levied under section 3 of this chapter, the fiscal  
21 officer of the city shall establish an innkeeper's tax receipts fund.  
22 The fiscal officer of the city shall deposit in this fund all amounts  
23 collected under this chapter.

24       Sec. 5. (a) Except as provided in subsection (b), money in the  
25 fund established under section 4 of this chapter shall be used by the  
26 municipality for the purchase, financing, construction, leasing,  
27 operation, or maintenance of the following:

28           (1) City hall.

29           (2) Park or recreational facilities.

30           (3) Police, fire, and emergency medical services.

31       (b) The fiscal body of the city may pledge money in the fund to  
32 pay bonds issued, loans obtained, and lease payments or other  
33 obligations incurred by or on behalf of the city to provide the  
34 facilities and services described in subsection (a).

35       (c) A pledge under subsection (b) is enforceable under  
36 IC 5-1-14-4.

37       Sec. 6. With respect to obligations for which a pledge has been  
38 made under section 5(b) of this chapter, the general assembly

1       covenants with the holders of the obligations that this chapter will  
 2       not be repealed or amended in a manner that will adversely affect  
 3       the imposition or collection of the tax imposed under this chapter  
 4       if the payment of any of the obligations is outstanding.

5       Sec. 7. A city described in section 1 of this chapter faces unique  
 6       economic development challenges. Maintaining low property tax  
 7       rates is essential to economic development. Using innkeeper's tax  
 8       revenues as provided in this chapter instead of property taxes to  
 9       support the economic and cultural development initiative described  
 10      in section 5 of this chapter promotes that purpose."

11      Page 4, after line 41, begin a new paragraph and insert:

12      "SECTION 8. An emergency is declared for this act."

13      Renumber all SECTIONS consecutively.

(Reference is to HB 1250 as printed January 22, 2008.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 12, Nays 0.

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Meeks

Chairperson